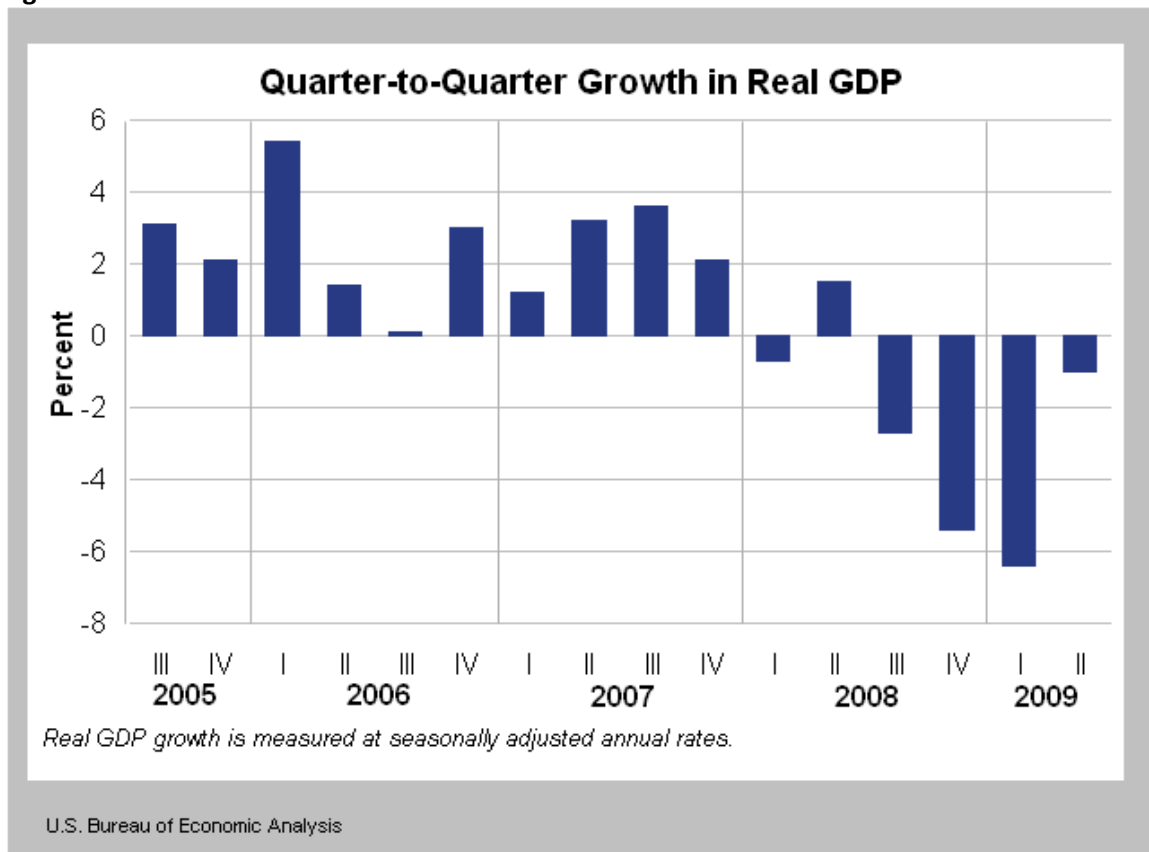


Robeson County: Current Economic Picture

Recent data and statements by the Fed representatives including the Fed chair, Ben Bernanke, point out that the worst of the current economic downturn might be over, and that the economy might have turned around.¹

Figure 1 shows real gross domestic output (GDP) growth rate, a measure of nation's total output after adjusting for inflation, up to the second quarter of 2009. Although the growth rate is still negative, it is less negative than the previous three quarters.

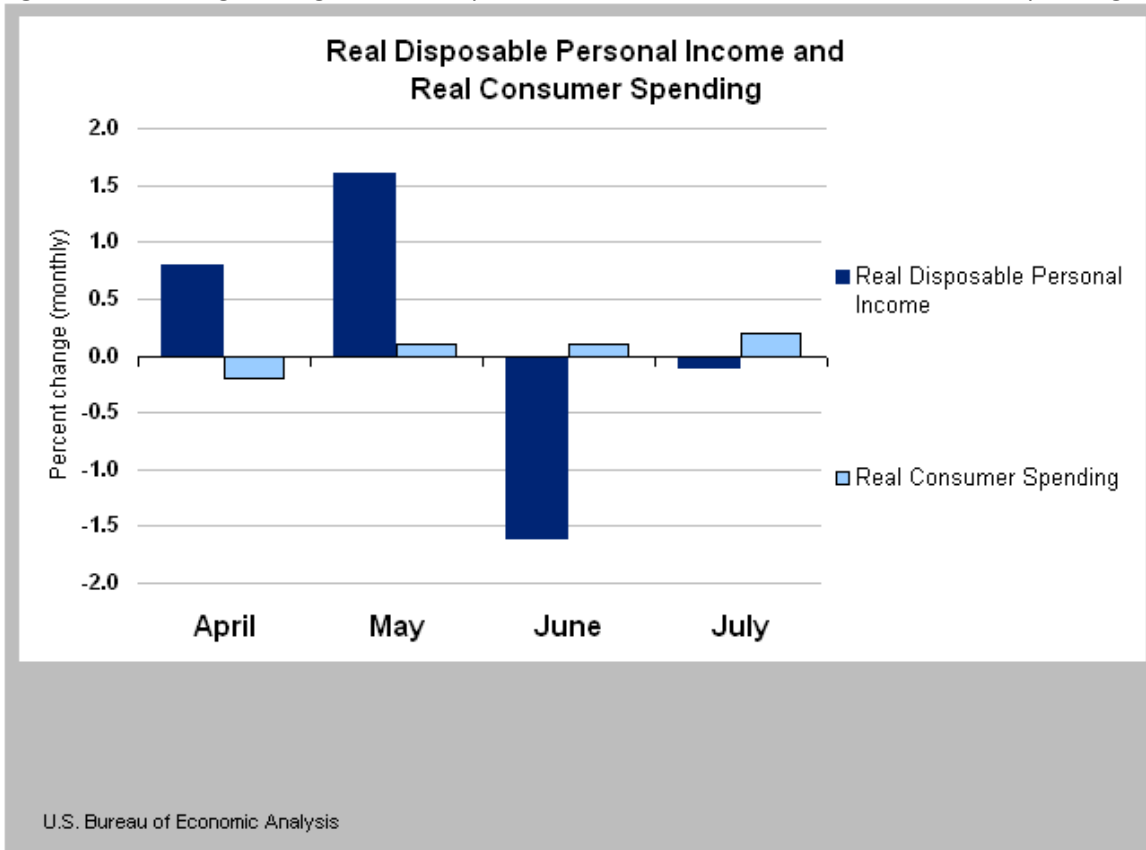
Figure 1: Real GDP Growth Rate



We find similar signs in real disposable personal income (after tax income adjusted for inflation) and personal spending. These data are plotted in Figure 2.

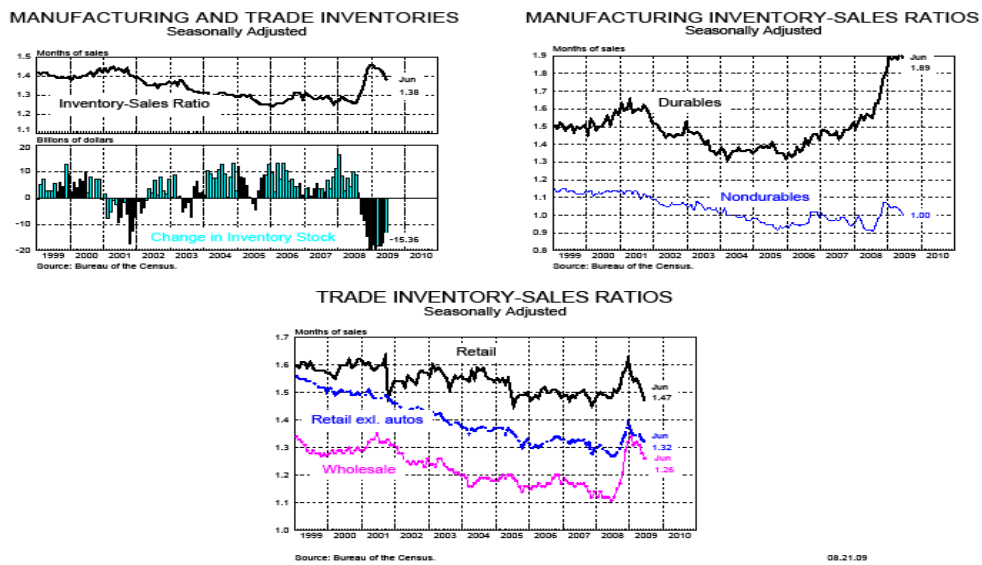
¹ Various documents (www.federalreserve.org).

Figure 2: Percentage Change in Real Disposable Personal Income and Real Consumer Spending



In Figure 3 we plot inventory and sales data. Again, we see that inventories and inventory to sales ratios are declining—pointing to positive trend in the economy.

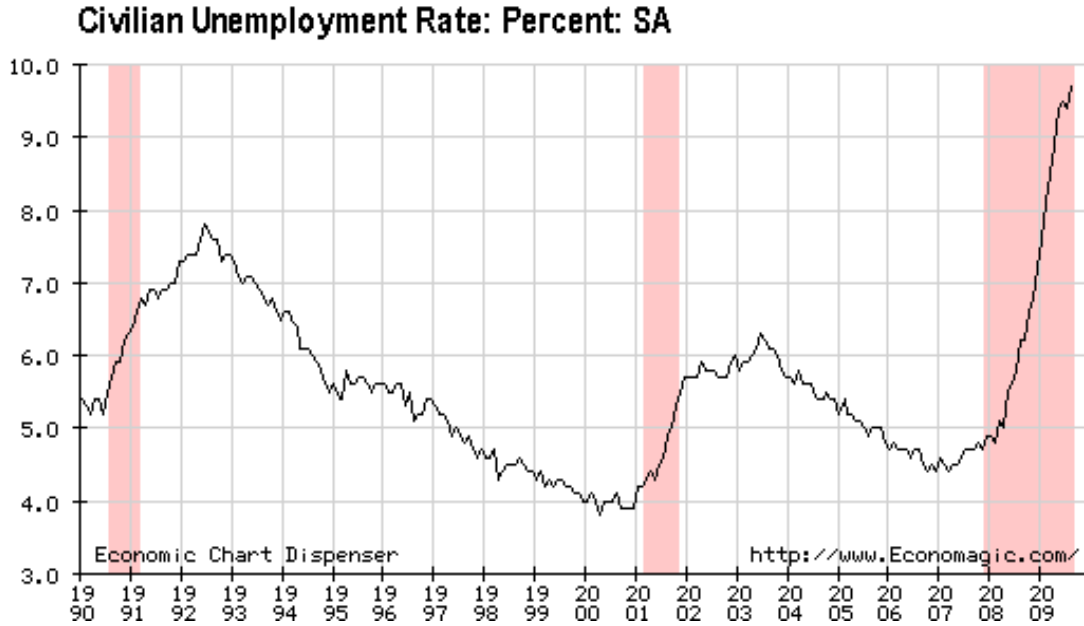
Figure 3: Inventory and Inventory to Sales Ratio



With regard to the unemployment rates, since unemployment rate is a lagging indicator—unemployment recovers after the recession has ended, we still see rather high unemployment rates. If past recessions are any guide, we would expect unemployment rate to rise even after the recession has been officially declared over. This is because producers try to increase the capacity utilization of labor resources before hiring more workers.

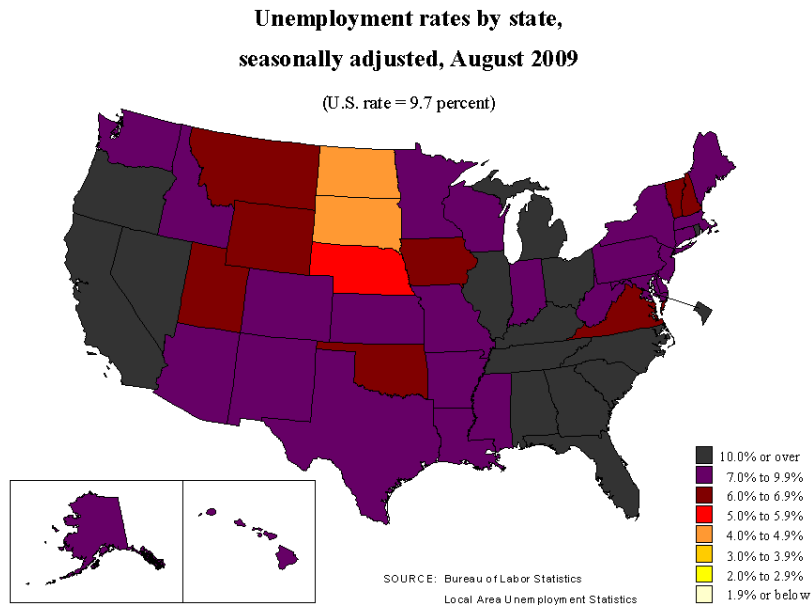
Figure 4 shows the past two recessions and the current along with the US unemployment rates. Shaded areas indicate recessions.

Figure 4: Civilian Unemployment Rate for the US since 1990 through Recessions and Recoveries



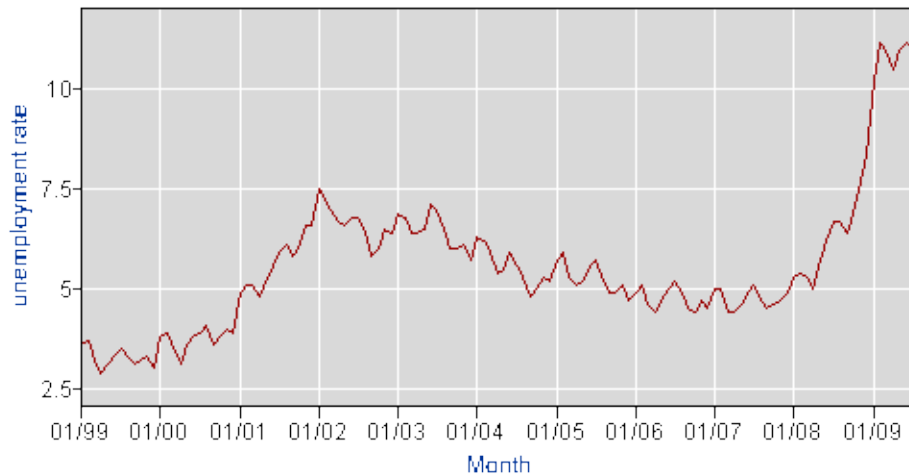
The unemployment rate during August for the US was 9.7 percent. Figure 5 shows a comparison unemployment rates by state.

Figure 5: Unemployment Rates



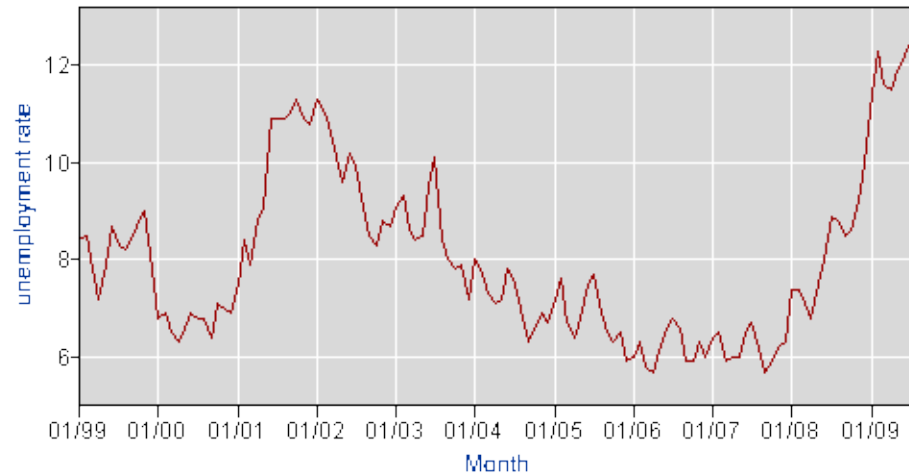
For North Carolina the unemployment rate during August 2009 was 10.8 percent. Figure 6 plots unemployment rates for North Carolina since 1999.

Figure 6: North Carolina Unemployment Rate



For Robeson County the unemployment rate during August 2009 was 12.0 percent. The unemployment rate data for Robeson County for the 1990-2009 time period are plotted in Figure 7.

Figure 7: Robeson County Unemployment Rate



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